

**THE SECONDARY MORTGAGE LOAN ACT (EXCERPT)**  
**Act 125 of 1981**

**493.61 Suspension, revocation, or refusal to renew license, registration, or secondary mortgage loan officer registration; notice; hearing; findings; facts or conditions; surrender of license or registration; preexisting contract not affected; lost or destroyed license, registration, or secondary mortgage loan officer registration certificate.**

Sec. 11. (1) A notice shall be given to a licensee, registrant, secondary mortgage loan officer registrant, or applicant of the commissioner's intention to enter an order to suspend or revoke a license, registration, or secondary mortgage loan officer registration or to refuse to issue a license, registration, or secondary mortgage loan officer registration. The notice shall be in writing and served personally or sent by certified mail to the licensee, registrant, secondary mortgage loan officer registrant, or applicant.

(2) A licensee, registrant, secondary mortgage loan officer registrant, or applicant may request a hearing to contest the intention to enter an order or refusal under subsection (1) within 20 days after service of the notice. If a hearing regarding suspension, revocation, or refusal to issue a license, registration, or secondary mortgage loan officer registration is not requested, the commissioner shall enter a final order regarding the suspension, revocation, or refusal to issue a license, registration, or secondary mortgage loan officer registration. The hearing shall be conducted in accordance with the provisions of the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. The commissioner may suspend, revoke, or refuse to issue or renew a license, registration, or secondary mortgage loan officer registration if he or she finds that the licensee, registrant, or secondary mortgage loan officer registrant or an owner, director, officer, member, partner, stockholder, employee, or agent of a licensee, registrant, or secondary mortgage loan officer registrant has done any of the following:

(a) Made a material misstatement in an application.

(b) Engaged in fraud, deceit, or material misrepresentation in connection with any transaction subject to this act.

(c) Failed after 10 days' written notice of default, to pay an annual operating fee, to maintain in effect a bond as required by the commissioner, or to comply with a demand, ruling, or requirement of the commissioner lawfully made under this act.

(d) Either knowingly or without the exercise of due care to prevent it, violated this act or a rule promulgated under this act.

(3) The commissioner may suspend, revoke, or refuse to renew a license, registration, or secondary mortgage loan officer registration upon a finding of a fact or condition which, if the fact or condition had existed at the time of the original application for the license, registration, or secondary mortgage loan officer registration, clearly would have warranted the commissioner to refuse to issue the license, registration, or secondary mortgage loan officer registration originally.

(4) A licensee, registrant, or secondary mortgage loan officer registrant may surrender a license, registration, or secondary mortgage loan officer registration by delivering to the commissioner the license, registration, or secondary mortgage loan officer registration with written notice that the licensee, registrant, or secondary mortgage loan officer registrant surrenders the license, registration, or secondary mortgage loan officer registration. The surrender, suspension, or revocation of a license, registration, or secondary mortgage loan officer registration under this act shall not affect the licensee's, registrant's, or secondary mortgage loan officer registrant's civil or criminal liability for acts committed in violation of this act. The surrender of a license, registration, or secondary mortgage loan officer registration does not affect a proceeding to suspend or revoke a license, registration, or secondary mortgage loan officer registration.

(5) Except as otherwise provided by law, a surrender, suspension, or revocation of a license, registration, or secondary mortgage loan officer registration does not impair or affect the obligation of a preexisting contract between the licensee, registrant, or secondary mortgage loan officer registrant and another person.

(6) A licensee, registrant, or secondary mortgage loan officer registrant whose license, registration, or secondary mortgage loan officer registration certificate has been destroyed or lost may comply with this section by submitting to the commissioner a notarized affidavit of the loss accompanied by written notice that the licensee, registrant, or secondary mortgage loan officer registrant surrenders the license, registration, or secondary mortgage loan officer registration.

**History:** 1981, Act 125, Imd. Eff. July 23, 1981;—Am. 1997, Act 91, Imd. Eff. Aug. 1, 1997;—Am. 2008, Act 325, Imd. Eff. Dec. 18, 2008.

**Compiler's note:** For transfer of authority, powers, duties, functions, and responsibility of the financial institutions bureau and the commissioner of the financial institutions bureau to the commissioner of the office of financial and insurance services and the office of financial and insurance services by type III transfer, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.

**Popular name:** Secondary Mortgage Loan Act